Crisis-related collective bargaining and its effects on different contractual groups of workers in German and Belgian workplaces

Nadja Doerflinger & Valeria Pulignano

Center for Sociological Research, Faculty of Social Sciences, Catholic University Leuven, Belgium

This article will be published in *Economic and Industrial Democracy*.

Abstract: The article investigates the effects of crisis-related collective bargaining on different contractual groups of workers. Comparing four workplaces of two multinationals in Germany and Belgium in the recent economic crisis, we observe that Belgian unions could protect some temporary workers' jobs and when the crisis endured, the permanent workforces' jobs and working conditions. In contrast, temporary jobs in the German workplaces were not protected and later on, the works councils had to concede on the permanent workers' working conditions to safeguard their jobs. This is explained by the intersection of institutional and firm-level differences which interacted to offer (or not) resources to unions to enforce protection.

Keywords: Collective bargaining, Concession bargaining, Crisis, Segmentation, Temporary workers

Introduction

The global economic and financial crisis that hit Europe between 2008 and 2012 is considered to be the worst since the Great Depression in 1929 (Eurofound, 2014; Reuters, 2009). We argue that collective bargaining played a major role in workplace-level adaptation to the fall in orders experienced by the two case-study companies, in some instances cushioning the potential employment effects for some employee groups but in others exposing non-core staff to greater employment risk. Critical in this was the context set by the legal framework and the impact of higher-level collective agreements. During the 2008-2012 crisis, collective agreements at different levels were used to find ways to allow employers to continue their operations and employees to keep their jobs. However, according to Glassner and Keune (2010), company-level collective agreements often contained concessions on pay and working conditions. This article investigates the short-term effects of crisis-related collective bargaining on contractual groups in four workplaces in Germany and Belgium. This is relevant in the light of debates on labour market segmentation and fragmentation (Doeringer and Piore, 1971; Grimshaw and Rubery, 1998), because also in times of crisis, employers and employee representatives might employ different strategies related to different contractual groups of workers. The term "crisis-related collective bargaining" refers to negotiations which took place in economically difficult situations, leading to pressure on both sides of the bargaining table. The term also expresses the diversity in reached agreements, since they are not necessarily built upon concession bargaining, although this concept has often been linked to bargaining in times of crisis (Cappelli, 1985).

Although the content and the processes leading to concessions in local negotiations in times of crisis have been widely investigated, there is a lack of systematic and comparative analysis of the social effects produced for different contractual groups of workers. However, it is crucial to understand the causes and the social processes involved in such concessions. This implies studying the effects (rather than the causes alone) of crisis-related collective bargaining on different contractual groups of workers and compare them within and across companies and countries. By drawing from a 2-by-2 comparison of four case studies of two multinational companies' subsidiaries in Germany and Belgium, we assess the short-term impact of crisis-related collective bargaining for different contractual groups of workers. To do so, we examine the amount of time between when crisis strikes until the plant recovers following the bargaining processes and their outcomes in this period. We do not attempt to generalize our findings but rather draw a holistic picture of the effects of crisis-related collective bargaining on different groups of workers in the investigated workplaces.

The article is structured as follows. Firstly, the role of collective bargaining in times of crisis is examined. Secondly, we address the relevant crisis-related measures adopted in Germany and Belgium at different levels because they defined the framework under which workplace-level agreements were negotiated. Then, selected features about the German and Belgium bargaining system and workplace-level industrial relations are highlighted. Having explained research design and methodology, we present the empirical findings and engage in further analysis and discussion before concluding the article.

The role of collective bargaining in the recent crisis

Collective bargaining in times of crisis has often been linked to 'concession bargaining', especially in the case of company-level responses to the US recession in the early 1980s. In this context, concession bargaining described the company strategy to cope with structural changes in the economy. It both reflected and led to intensified international competition, to a growing pace of technical progress and cost pressures (McKersie and Cappelli, 1982). Management has thus changed human resource management policies and practices to strengthen the companies' competitiveness (Kochan et al., 1986). In exchange for concessions, US-unions could push for more security in several cases, for example through no-layoff policies or earning protection programmes (Cappelli, 1985). As a result, concession bargaining referred to exchanging labour cost moderation for improvements in job security in difficult times. In other words, while workers gave in on wages, firms conceded on guaranteeing employment. Likewise, the 2008-2012 crisis has not left the collective bargaining landscape untouched, since workplace-level actors bargained on wage reductions or freezes, cutting back benefits, two-tier wage systems, and on seeking to increase flexibility overall (Carley and Marginson, 2011). In the initial crisis years (2008-2010), private sector employers and employees often tried to mitigate the crisis effects jointly in a way that increased security for both parties. Short-time work was for this reason popular, since it helped to prevent job and skill losses simultaneously (Glassner and Keune, 2012). However, when it became clear that the crisis would be long term (2010-2012), employers were able to impose higher flexibility more easily, and only in select cases, were unions able to negotiate employment guarantees in exchange (Marginson et al., 2014; Eurofound, 2012, 2014).

Drawing from literature on concession bargaining, there are important implications for the regulation of company-level employment relations. Firstly, by directly linking labour costs to job security, concession bargaining puts pressure on workers. It may contribute to undermining wages and working conditions at the workplace-level by enabling deviations from higher level agreements through bargaining decentralisation. Glassner and Keune (2012) as well as Marginson (2014) consider the accelerated bargaining decentralisation as one of the main outcomes of the 2008-2012 crisis in Europe. Secondly, concession bargaining links company-level bargaining to the firm's economic condition. For this reason, situations leading to concession bargaining challenge employers and employees alike (McKersie and Cappelli, 1982). Management needs to decide if and under which conditions operations can be continued. If so, then labour cost savings could be considered as a way to increase competitiveness. On the other hand, unions face the dilemma to choose between securing employment or maintaining wages and working conditions under the risk of plant closure.

As shown, there has been a lot of research about collective (concession) bargaining in times of crisis, but the effects on different (contractual) groups of workers have hardly been investigated. This is surprising as current research on labour market segmentation and dualisation (for example Rubery et al., 2009; Holst, 2014) emphasizes the relevance of management and labour strategies on workplace-level inequalities (Crouch and Keune, 2012). Ever since the 1970s on, research on labour market segmentation has highlighted the unequal treatment of different groups of workers (Doeringer and Piore, 1971; Berger and Piore, 1980; Atkinson, 1984). In recent years, following Grimshaw et al. (2001:29), 'deregulation has allowed managers, even within a single organization, to consider and adopt different employment policies and practices as *solutions* for different groups of workers'. Related research on fragmentation (Grimshaw et al., 2001; Holst, 2014) therefore emphasizes a more nuanced view, stating that the formerly stable borders between the protected core employees and unprotected periphery have blurred. In other words, labour markets have changed from a system of formerly strong internal labour markets protecting core employees towards a more fragmented landscape with employment regulatory institutions becoming weaker and organizations utilizing a wide range of contractual arrangements (Grimshaw and Rubery, 1998). The presence of fragmented labour markets makes us expect that workplace-level actors engaging in bargaining in times of crisis may adopt different strategies towards different contractual groups of workers. Because of this, crisis-related collective bargaining arrangements may produce different effects on the jobs and working conditions of permanent and temporary workers because employers may use a variety of work arrangements to increase efficiency and flexibility whereas unions may be more interested in safeguarding jobs. But what are the short-term effects of such crisis-related agreements on the different contractual groups of workers? And to what extent do firm-level characteristics and institutional settings influence those effects?

Anti-crisis-measures adopted in Germany and Belgium

Germany and Belgium were hit hard by the economic crisis, which globally developed in three stages. Its first stage was marked by the subprime mortgage crisis in the US-financial sector in 2007. It spread and reached the European financial sector in autumn 2008, with the crisis of *Hypo Real Estate* in Germany and *Fortis Holding* in Belgium. In its second stage, the crisis spilled over to the real economy, and led to plunging production volumes and export rates, a decline in consumption, rising unemployment and, subsequently, contractions in GDP (real GDP growth rates: -5.1% for Germany, and -2.8% for Belgium in 2009 compared to the year before according to Eurostat, 2015). In its third stage, the crisis reached the public sector. As a reaction to this, policymakers in both countries augmented public expenditures to counteract, thereby putting pressure on public budgets.

Collective bargaining played a central role in Germany and Belgium as a mechanism through which the state, trade unions and employers attempted to mitigate the crisis effects at different levels. Higher-level collective agreements provided the context for additional company-level negotiations. In Belgium, a two-year multi-sector agreement was reached in December 2008 which aimed at simultaneously balancing firms' competitiveness, high levels of employment and workers' purchasing power (Eurofound, 2009). The agreement increased financial benefits for those in temporary unemployment and thus stabilized purchasing power without increasing labour costs. Moreover, many sectoral agreements specified modest wage increases and a redundancy benefit in the metal sector was implemented in 2010 (Glassner et al., 2011). In Germany, various sector-level agreements specified that previously guaranteed wage increases could be suspended or delayed at the company-level during the crisis, leading to wage moderation. The focus of the 2010-metal-sector agreement was generally to safeguard employment by making use of short-time work, flexibility practices and by waiving demands for higher wages (for more information, see Hans-Böckler-Stiftung, 2010). Furthermore, a one-year employment guarantee for those in *short-time work* was implemented in the metal sector (Glassner et al., 2011).[1]

Additionally, different legal measures were available to prevent mass-layoffs, which could be used at the company level. In Germany, *short-time work* (*Kurzarbeit*) can be implemented in a workplace in case of a substantial drop of production volume if management and works council agree.[2] The weekly working-time can be reduced to up to zero hours for a limited period for certain employees or even the entire workforce. Therefore, *short-time work* should help prevent layoffs and offers the possibility to companies to keep workers with critical skills in times of crisis. Workers in *short-time work* earn the wage for the hours worked in the company, and the German Federal Employment Agency pays 60%/67% (without/with children) of the difference between normal and actual wage level.

[1] Various quantitative studies based on the IAB Establishment Panel shed light on company-level responses to the crisis in Germany (e.g. Bellmann and Gerner, 2012; Bellmann, Gerner and Upward, 2012). A comparable panel is not available for the Belgian case.

[2] *Short-time work* was included in several sectoral collective agreements (also in the metal sector). Further information can be found in Bispinck (2010).

The practice can normally be used for six months, but this timeframe was extended several times during the crisis to continue to safeguard employment. In 2008, companies could employ a *short-time work* policy for up to 12 months; this was extended in 2009 to 24 months, in 2010 it was shortened to 18 months and in 2011 limited once again to 12 months. If the company offered training to its staff in the meantime, then the Federal Employment Agency paid the workers' entire social security contributions from the first month onwards. If not, the company had to pay half of these contributions in the first six months. However, *short-time work* did not cover temporary agency workers according to §11 AÜG (law on temporary agency work) prior to the crisis, but it was temporarily implemented from February 2009 until December 2010. Since then, the question of extending the scheme indefinitely to agency workers has been controversially discussed in Germany.

In Belgium, statutory short-time work was introduced and could be applied after concluding company-level agreements independent of the sector. Moreover, *temporary unemployment* (*tijdelijke werkloosheid/chômage économique*) was reinforced at the company-level. If companies can prove to be in economic difficulty, they can partly or wholly suspend a worker's employment contract for limited time. The affected workers are entitled to receive unemployment benefits borne by the National Employment Office (70%/75% of the last income without/with family). Before the crisis, *temporary unemployment* only applied to blue-collar workers, but the system was extended to white-collar employees in 2012. Under the new system white-collar staff could be temporarily unemployed for up to 26 weeks with the right to receive unemployment benefits. Furthermore, other measures such as the system of *time-credit* (*tijdskrediet/credit-temps*)[3] allowing time off for career breaks (e.g. for further education or family-life) were used since working-time for white- and blue-collar employees could be shortened, enabling firms to keep its staff employed (Vandaele, 2009; Eurofound, 2009). Unions and employers agreed to extend *temporary unemployment* as early as 2008 to workers on fixed-term and agency work contracts.

Overall, the state played a crucial role in both Germany and Belgium by taking on at least part of the cost incurred by companies during the crisis on to itself. Making policies like short-time work available allowed for labour hoarding, which reflects the interests of the state, companies and unions alike. Yet, the question remains whether different contractual groups of workers could equally profit from these policies or not.

Selected characteristics of collective bargaining and workplace-level industrial relations in Germany and Belgium

Germany and Belgium both feature multi-employer collective bargaining systems, which are based on clear procedural rules linking sector and company levels (Marginson and Galetto, 2014). Respective collective agreements may be used as resources granting bargaining power to unions in workplace-level negotiations (Pulignano et al., forthcoming). The link between sector- and company-level is achieved through delegation in both countries (Marginson and

[3] In the Belgian private sector, *time-credit* enables workers to take a career break and to receive unemployment benefits during this period. Employees can either wholly suspend their employment contract, or reduce their working hours from full- to part-time. More information is available here: http://www.werk.belgie.be/defaultTab.aspx?id=550

Galetto, 2014), which means that sector-level agreements determine a wide range of issues. In Belgium, the delegation principle provides a set of rules to be followed in local negotiations, restricting the possibility to deviate from (multi-) sector agreements. Opening clauses enabling firms to go below standards set at the sector level hardly appear in sectoral collective agreements; and if they exist, they are only rarely used at the workplace level (Keune, 2011). In contrast, in Germany, company-level agreements can deviate from sector-agreements, especially via opening clauses (*tarifliche Öffnungsklausel*).[4] For this reason, it was by far more difficult to counteract the pressure for collective bargaining decentralisation and moderation of wages and working conditions from the side of the employers (Glassner and Keune, 2012) than in Belgium. This results in greater leeway for companies in Germany than in Belgium.

At the workplace level, union-dominated works councils are strongly tied to sectoral collective agreements in Belgium. They need to control and ensure that provisions of the sectoral agreement are reflected in policies and practices in the workplace and can expand workplace-level regulation within the sectoral framework (Pulignano, 2012). They also have information (and some consultation) rights to be actively involved in shaping workplace-

[4] Please note that workplace-level deviations from sectoral agreements in metalworking are also possible based on the so-called 'Pforzheim Agreement' (2004). Under specific circumstances, companies in trouble can temporarily deviate from the provisions of the sectoral collective agreement in terms of pay if they commit themselves to safeguard employment. This is only possible with the consent of, and after review by, the signatories of the sectoral agreement. Urban (2012) argues that the Pforzheim Agreement has provided more scope for IG Metall to be involved in the required review process for derogations from the sectoral agreement. Hence, although there is scope for higher flexibility, it is subject to some union control. Further information can be found here: http://www.igmetall.de/view_tarifglossar-pforzheim-vereinbarung-10870.htm

level regulation[5]. In Germany, works councils assure that workplace-level regulation complies with the law and with sectoral collective agreements. Furthermore, works councils have involvement and co-determination rights especially in terms of working hours, wage structures, rules of operation, workplace layout, vocational training and staffing requirements (they also approve new appointments and can formally object dismissals of regular workers) (Page, 2011).

Differences between Germany and Belgium exist regarding temporary employment and union responses towards it. The regulation of fixed-term work is relatively similar in both countries, since such contracts can be legally entered into with or without a specific cause. In the former case, contracts can be renewed if the specific reason still applies whereas in the latter, they can only be renewed up to three times (maximum duration of 24 months). Regarding agency work, there are differences between Belgium and Germany. Firstly, the equality principle regarding pay and working conditions only really applies in Belgium (see Doerflinger and Pulignano, 2015). Secondly, the fact that regular and agency workers in the user firm are covered by different sector-level collective agreements in Germany may increase the gap between these workers.[6] Unionists in Belgium have negotiated additional workplace-level agreements on temporary work for a long time (for instance specifying employment paths or enhancing training provision). In Germany, works councils have

[5] For further information, see http://www.werk.belgie.be/defaulttab.aspx?id=525

[6] The sectoral agreement for work agencies in Germany, signed by the German Trade Union Confederation DGB, sets lower pay rates compared to the metal sector agreement covering the four company cases as user firms.

struggled to include aspects on agency work in workplace-level agreements because those workers formally belong to a work agency and should therefore be represented by the agency's works council. However, the persistent gap in working conditions and wages between regular and agency workers has put pressure on user firm works councils to counteract. This might be difficult in practice, since works councillors lack co-determination rights in this respect (they are informed before agency workers are used and can in principle object if their use is not only 'temporary' according to § 99 BetrVG). In 2012, the works councillors' rights to intervene were strengthened, since the 2012-metal sector collective agreement encourages and empowers them to negotiate voluntary workplace-level agreements on agency work (other industries like the chemical sector followed and implemented similar provisions in their agreements).

Research design and methodology

This article is based on in-depth comparative case studies of four subsidiaries of two multinational companies operating in the metal sector in Belgium and Germany. Both companies were hit hard by the crisis (see Table 1) and employed crisis-related collective bargaining strategies. We retrospectively look at the period when the crisis hit the plants until their economic recovery. In so doing, the article explicitly examines crisis-related collective bargaining and its short-term effects on workers under varying contracts. The comparison of two companies in two different countries is useful for investigating whether the crisis produced similar or different effects in workplaces within and/or across countries.

Furthermore, it allows the assessment of if and to what extent a country's institutional framework could influence effects of a crisis. The comparison between Germany and Belgium works particularly well due to the fact that both countries feature different union traditions and systems of worker representation despite their generally coordinated nature. The results of this specific case study are not meant to generalize across the board, but are only to draw conclusions related to the particular workplaces we investigated.

Firm1 is a US-American conglomerate operating in the broad manufacturing sector. It uses basic technology to supply standardized components, mainly to the automotive industry and employs about 130,000 staff (mainly low- to medium-skilled blue-collar workers). Although *Firm1* has a leading position in many of its markets, it faces competition from all over the world. Hence, both flexibility and cost-competitiveness were crucial issues on *Firm1*'s bargaining agenda over the past decade. Consequently, the use of different contractual arrangements has become more pronounced. In particular, temporary agency and fixed-term work are used in this way. The German plant mostly uses it agency workforce for relatively simple tasks in production where agency and permanent workers work side-by-side. In the Belgian plant, fixed-term workers also mostly work in production together with the permanent workforce. *Firm1* was hit particularly hard by the crisis from 2009 on. By that time, pre-crisis orders were finished and there was a lack of new orders, which led to a 50% decline in work volume in Europe, on average. The crisis mainly impacted on the company's European and Northern American operations, while developing markets such as

Brazil and China were barely affected. As a whole, *Firm1* was still profitable during the crisis, but those profits were unevenly distributed.

Firm2 is a European multinational in the field of power generation and transport with about 92,000 employees, half of them being blue-collars and most of them being highly skilled. The investigated plants operate in the transport division and develop and manufacture high-tech, customized products (components for building and assembling trains). Therefore, the products and working conditions differ across sites, but the skill profile of the workforce is similar. Although many of its orders come from the public sector, *Firm2* has had to strengthen its competitiveness in the past years. Specifically, an increase of the firm's internal adaptability while reducing labour costs was achieved through more flexible contracts. *Firm2* primarily uses temporary agency workers and external contractors. While agency workers execute relatively simple production-related tasks, external contractors are mostly highly-skilled engineers who are actively involved in product development. *Firm2* was affected most by the crisis from 2010 on. The company recorded a drop in order intake at an average of nearly 40 in its core markets Europe and North America. Although the company's operations in emerging markets still yielded profits, substantial restructuring was carried out in *Firm2's* European and North American operations.

[Table 1 about here]

The data collection was carried out between autumn 2011 and autumn 2012, and some follow-up interviews were conducted in summer 2013. *Firm1* and *Firm2* were chosen for analysis due to some crucial similarities and differences. Specifically, both companies feature different workforce skill levels related to the technology (low and high) used by the firm. This allows assessing the extent to which these firm-level differences are reflected in the outcomes of crisis-related collective bargaining. Nonetheless, both companies operate in the metal sector and the four plants feature high levels of unionization. Moreover, they both use about 20% flexible labour, which enables comparisons of workers under different contracts. In *Firm1*, the permanent and temporary staff worked side-by-side, executing the similar or even the same tasks while in *Firm2* the two groups of staff were rather segmented. Generally, looking at different production sites within the same firm across countries makes for a good comparison, as the general company policy should be the same.

The data analysis is based on 25 semi-structured interviews in *Firm1* and *Firm2*. Interviews were carried out with strategic and operational HR managers to comprehend workplace-level policies and practices and the way they were negotiated. We also interviewed works councillors and trade unionists in order to get information about their positions and viewpoints regarding local negotiations and agreements. In addition, we talked to unionists at the sector-level to get a view on general industry developments and with European HR managers of both companies to explore the general HR policy. The interviews were conducted in the respondents' native languages (German, Dutch and French) and took between one and two hours. All interviews were recorded, transcribed and translated. We also collected documentary materials such as company-level agreements, annual reports or relevant newspaper articles to complement the gathered primary data. To systematically analyse the data, we made use of NVivo.

Crisis-related collective bargaining and its effects on different groups of workers

The case of Firm1

Since *Firm1's* German plant had already faced economic difficulty in 2004, several workplace-level flexibility practices had been implemented (especially relating to working-time flexibility) which helped to cope with the initial crisis phase in 2010. A working-time corridor (28 hours to 42 hours per week) had been in place, depending on production volume. This was possible because of an opening clause in the metal sector agreement, which enabled deviations from the 35 hour-week. Furthermore, a 20% agency work-quota had been implemented to be able to react more flexibly to changing production volumes. Based on these measures, *Firm1's* German plant was highly profitable but the lack of incoming orders drastically decreased the workload in late 2010. The workplace's average production volume of around 1,000 components per year plummeted to around 250. As immediate reaction, management and works councillors agreed to reduce the weekly working-time for all blue-collar and about half of the white-collar staff to the minimum of 28 hours. Three months later, new orders were still out of sight and therefore, management and works council negotiated workplace-level 'adjustment mechanisms' to counteract the incurring losses. Both parties agreed to implement *short-time work* (as encouraged by the state and a specific sectoral collective agreement) for permanent workers in most production-related and some administrative departments. Management and works council were in favour of the system, since it allowed keeping jobs and skills simultaneously. The affected permanent workforce, however, had to cope with income losses, since the unemployment insurance fund only provided partial compensation. Furthermore, management decided to let almost all agency workers leave[7] and to not prolong fixed-term contracts because of the lack of work. The works council did not have to be involved since it lacked co-determination rights in this respect.

"The situation in the crisis was indeed difficult. Apart from our ordinary employees, we had also 500 temporary workers – agency and fixed-term – about 350 in production. Only few of them have remained since their skills are required here. The others were made redundant." (Works councillor, Firm1 Germany)

Temporary workers functioned as a safeguard for the core workforce's jobs and provided an extra layer of protection. Only few agency workers providing critical skills remained in the plant's workforce (employed via work agencies).

Firm1's Belgian plant was hit by the crisis in mid-2009, with a 70%-decline in production volume. Management wanted to immediately implement *temporary unemployment*

[7] It is likely that these temporary agency workers were still employed by their work agency after having left *Firm1* as their user firm, and thus not made redundant (this also applies to the other investigated workplaces). However, this article focuses on the plants of *Firm1* and *Firm2* as user firms, and this is why we did not follow up the agency workers' further employment path.

as encouraged by the state for almost all permanently employed blue-collar workers (about 50% of the entire workforce). However, the unions refused to give their necessary consent because temporarily suspending these workers' employment contracts would have meant a loss of income.

"We cannot accept that our company demands of the workers to make concessions with regard to their salary when they are doing okay overall – that's impossible, that's not conceivable." (Unionist, Firm1 Belgium)

The unions demanded paying an allowance to the concerned workers to not have any financial penalty because of *temporary unemployment* and asked for training allowances to use the 'time-off' to invest in the workforce's skills. Management – in need of the union's consent – was quick to agree. Consequently, the Belgian unemployment insurance paid most of the affected workers' salaries, and *Firm1* topped it up to keep initial wage levels as demanded by the unions. Additionally, trainings were offered which gave the permanent workforce the possibility to improve skills. Meanwhile, management intended not to prolong fixed-term contracts to react to the declining workload and upcoming cost pressure. However, a workplace-level agreement on 'employment paths' for temporary workers had been in place already, negotiated between management and the local unions prior to the crisis. Specifically, fixed-term contracts were the mode of entering the company, which would be upgraded to permanent contracts after one/three years (white-collar/blue-collar workers). The agreement could temporarily be suspended under specific circumstances such as an economic crisis, but unions objected to the immediate suspension of the agreement, leading to a compromise under which the 40 employees who had met the qualifying period received a permanent contract and thus became part of the core workforce. The other fixed-term workers had to leave when their contracts expired.

"We lost 20% of our workers in the crisis. They were all on fixed-term contracts that were not extended. There was hope because Firm1brought people back, but this didn't last and today there is a freeze of recruitment." (Unionist, Firm1 Belgium)

When the crisis continued, the initial workplace-level measures proved to be insufficient to cope with its scope and more extensive, longer-term solutions had to be found. In Germany, additional measures were negotiated in mid-2011, while *short-time work* was still in place. Management demanded concessions from the workforce to safeguard the plant, and the works council – being put under pressure, fearing the loss of jobs like in the 2004-crisis and lacking the security offered by a strong sector-level agreement – felt it had to give in to secure employment. Workplace-level agreements were therefore concluded in three areas: Firstly, internal mobility was fostered by sending employees to other departments. For instance, production workers with computer skills were placed in administrative units. Likewise, management established cooperation with other firms in the region to send its staff there. This 'leasing' measure was encouraged by the sectoral metalworking agreement, however *Firm1*'s success was limited, since the whole region was equally affected by the crisis. The higher internal mobility decreased the employees' level of discretion on their job content, as they could be moved from one position to another based on the firm's needs. Secondly, working-time patterns for production workers became more flexible. Particularly, the shift-system was directly linked to production volume and could thus change within days. This also meant that workers had to take over more weekend and night work in times of high workload, which decreased the employees' level of control over their working-time. Finally, an early retirement scheme offered the possibility of leaving the company at the age of 55 at relatively favourable conditions, granting financial stability to those leaving. This gave incentive to the older core workers to leave, but only 5% of them did so. By agreeing to higher levels of flexibility and conceding on working conditions, the works council safeguarded the core workforce's jobs.

In Belgium, problems were caused because *temporary unemployment* exclusively covered blue-collar workers. However, the white-collar employees' workload dropped as well. Because of this, creative solutions had to be found. In late 2009, management and unions jointly decided to encourage white-collar workers to use the system of *time-credit*, which enables career breaks for every worker in the private sector by Belgian law and which the state recommended to use during the crisis. Employees taking *time-credit* could shift from full-time to part-time work or entirely suspend their employment contract for a while. At the same time, they were entitled to receiving unemployment benefits to partially compensate for the loss of salary. To encourage using this system, unions demanded paying an additional allowance to the affected workers to partly close the income gap. Management agreed, since it needed the unions' support to encourage white-collar staff to take *time-credit*. Many of them decided to do so, because they did not have too big financial cuts on their initial salaries. Additionally, a workplace-level agreement on strengthening internal mobility was negotiated, implying that employees could be temporarily moved to other departments if skills allowed for it. This was viewed as both on-the-job training and acted as a way of diversifying the workforce's skills. Overall, the crisis measures adopted by *Firm1's* Belgian plant were less drastic than in Germany, since unions successfully pushed for stabilizing the permanent workforce's jobs and working conditions.

The aforementioned measures helped *Firm1* to overcome the crisis. The German plant's situation improved because of new orders in early 2013, which terminated *short-time work*. Being able to use the policy for 24 months – this timeframe was extended several times by the German state – helped to substantially limit the plant's losses. Therefore, plant closure and forced redundancies were avoided.

"Flexibility is certainly a crucial factor for the survival of the plant. 15-20% of agency work seems to be necessary for the well-being of the company and the permanent staff. Of course it is the agency workers who suffer from that situation. In the end I think that both the instruments of our government and the ones that we agreed on were crucial for securing the jobs of the plant." (Works councillor, Firm1 Germany)

The Belgian plant recovered faster, since new orders came in about a year after the crisis hit it. This terminated *temporary unemployment* and caused an immediate lack of staff, so the company sought to rehire workers whose contracts expired before.

"So in 2009, we stopped hundreds of temporary contracts, month after month, and in 2010, the business started very sharply again, so we had an upturn, and we needed staff. We managed to hire back less than 300 people – 300 temporary contracts that we stopped before." (HR Manager, Firm1 Belgium)

The case of Firm2

Firm2's German plant was hit by the crisis in spring 2010, when several public orders were cancelled, leading to a forecasted long-term drop in production volume of about 40% for the coming three years. As initial reaction, management decided to dispense of half of the plant's agency workers' services, and the remaining half had to leave within the coming weeks. The agency workers were low- to medium-skilled, executing help functions in production and administration. From a management perspective, letting agency workers leave was an easy way to rapidly reduce costs. The works council could not formally oppose due to lacking co-determination rights on this aspect, but at the same time, this potentially assured the jobs of *Firm2's* core workforce.

"With the crisis even most works councils were quite happy that only agency workers were made redundant. There is nothing worse for a works council than if the core workforce is being touched by management." (Works councillor, Firm2 Germany)

Firm2 Belgium entered the crisis in mid-2010 when several large-scale orders were cancelled, leading to a decreasing work volume of about 40%. Compared to the more production-oriented German plant, the Belgian workplace focused on R&D. This meant a smaller share of production activity (mostly prototyping) and a lower number of medium- to high-skilled blue-collar workers, hired via temporary work agencies. Like in Germany, management wanted to stop the contracts of its agency workforce, but there were individuals with critical skills among them. After an evaluation of the skills needed and being pushed by the unions to keep as many workers as possible and upgrade their contracts, management offered permanent contracts to ten highly-skilled agency workers. Unions were not in favour of letting the other agency workers leave, but could not formally object due to the absence of a corresponding workplace-level agreement.

"When things got bad, the company told us 'we have to dismiss people'. And the first ones to be dismissed are those on temporary contracts. Most temps haven't got any career perspective at all here. This workforce is there when needed. If not needed, it's over." (Works councillor, Firm2 Belgium)

The initial measures adopted in both plants were not enough to cope with the ongoing crisis. In Germany, management decided to not prolong most fixed-term contracts in mid-2010; only a few of those workers were offered permanent contracts due to possessing skills that were scarce on the labour market. The works council was not involved because of the absence of co-determination rights in this respect, but ending the contracts of external contractors was not considered an option by management although these highly-skilled engineers were expensive. Similar to agency workers, they were not directly hired by *Firm2*, and therefore, it would have been easy to stop their contracts without giving severance payments or other gratuities. Yet, their skills distinguished them from most of the agency workforce, which is why *Firm2* kept them despite their price. Meanwhile, management and works councillors negotiated additional workplace-level crisis measures. Both parties agreed to reduce the hours in the staff's working-time accounts as a precondition to introduce *short-time work*. Consequently, the core workforce had to give away the hours that they hoped to use for going on sabbatical or extending parental leave, and they had to cope with a loss of income due to *short-time work*. Management also demanded increased flexibility through internal mobility and the works council felt it had to consent to secure jobs during the crisis. For this reason, workers could be sent to other German plants of *Firm2* and the neighbouring countries for short periods if their profiles fitted the needs. Although across-plant mobility was voluntary, employees feared to endanger their jobs if not agreeing to it. Higher levels of functional flexibility and mobility were demanded by all employees alike, reducing the staff's control over job content and work location.

"We have no problems with flexibility at all as long as the jobs of the employees are secure. We know that companies have to be able to react to the developments on the markets." (Works councillor, Firm2 Germany)

Based on the aforementioned workplace-level agreements, forced redundancies were able to be prevented. However, in the spring of 2011, management demanded a headcount reduction to cut labour costs in the long-run because the order books for the coming years indicated lower product demand as orders were cancelled. Therefore, management and works councils negotiated generous voluntary separation and early retirement plans. Six months later, more than 300 workers accepted the offers. Since the plant was located in an economically strong region, the prospects of finding other work were good. Almost two years after the crisis hit the plant (in 2012), new orders came in and *short-time work* was terminated. Soon after, new agency workers were hired to deal with the increasing workload.

In Belgium, further measures had to be implemented in late 2010 because the workload in R&D declined, too. Using *temporary unemployment* was no option, as it only applied to blue-collar workers by then. Similar to the German plant, management and unions decided to strengthen cross-border mobility, sending employees to other plants in the neighbouring countries on short assignments. This workplace-agreement was considered as an intercultural and on-the-job-training, enabling the workforce to develop further skills. However, it only applied to a very specific group of staff with good language skills. The unions also proposed using the system of *time-credit* in a creative manner as encouraged by the Belgian state, but management objected and refused to grant extra financial incentives to encourage employees to use their *time-credit*. Taking it is an individual choice and companies cannot oblige employees to do so. In other words, management avoided the risk of having too few employees taking their *time-credit*. Instead, management demanded a headcount reduction to which the unions agreed in early 2011, based on the promise to do it voluntarily, to give generous severance payments and most importantly, to stabilize the working conditions of the workforce. This allowed workers to leave the plant under favourable conditions, sparing the remaining workforce from changing working conditions. Furthermore, the classroom training budget for the small lower-skilled group of workers was cut and more emphasis put on on-the-job training. The effects of this decision on the permanent workforce were limited, since tasks involving lower-skilled personnel were mostly fulfilled by agency workers. This group, however, had to accept that future training was mostly executed on-the-job instead of in the classroom. Finally, a few external contractors had to leave the company but like in Germany, the majority of them was kept since their skills were indispensable. This package of local agreements brought the Belgian plant through the crisis. When new orders came in 2012, the situation markedly improved and 100 agency workers were hired for the production department.

"It has become common to have a 'security buffer'. As work decreases, we will simply reduce our 'extra' temporary staff. Of course, when the company fires someone, it doesn't want to give severance payments, etc. It's easy to fire a temp." (Works councillor, Firm2 Belgium)

Why were different groups of workers not treated equally?

Considering the German and Belgian cases of *Firm1* and *Firm2*, differences in the short-term effects of crisis-related collective bargaining on the temporary and permanent workforces are evident (see Table 2).

[Table 2 about here]

Temporary workers – who were already vulnerable before the crisis – were the most heavily affected. The workplace agreements in reached by *Firm1* and *Firm2* mainly strove towards securing permanent workforces that were at risk, and the layer of flexible temporary staff around them contributed to achieving this objective. Cross-country differences were able to be observed, as the Belgian unionists succeeded in keeping some temporary workers, who received permanent contracts and entered the core workforce whereas in Germany, works councils could hardly safeguard temporary workers due to lacking co-determination rights. Furthermore, while jobs and working conditions could be kept for the permanent Belgian workforces, their German counterparts had to concede on working conditions to safeguard employment. Comparing the two companies reveals differences in the nature of crisis-related collective bargaining: *Firm1* (medium- to low-skilled workforce) was characterised by concession-oriented workplace-level bargaining while *Firm2* (highly-skilled workforce) by consensus-driven bargaining patterns. We explain the short-term effects of crisis-related collective bargaining on different contractual groups across countries and companies by the interaction of institutional factors and firm-level contexts.

Belgium's bargaining system is characterised by delegation as articulation mechanism between sector- and company-level, while the German system also allows for derogation (Marginson and Galetto, 2014). Company-level deviations are therefore possible in Germany if the sector-level agreement allows for it and if works councillors and management locally consent to a more workplace-specific agreement. This high degree of discretion for workplace-level actors could be used by management to push for concessions on working conditions to safeguard employment. Works councils could not make use of the procedural security offered by strong and binding sector-level agreements to oppose such management requests and thus had to give in. The works councillors also lacked 'local' institutional resources linked to co-determination rights. Co-determination should have been able to ensure the active involvement of works councillors in company-level politics, but those rights were missing altogether in regard to letting temporary workers leave, making it impossible for works councillors to formally object such decisions. As a result, works councils were put in a defensive position, being unable to keep temporary workers and stabilize the permanent workforce's working conditions. In contrast to *Firm1* where all temporary workers had to leave, a few fixed-term workers and nearly all external contractors were kept in *Firm2's* German plant because they possessed indispensable skills. This did not apply for agency workers in *Firm2's* production-oriented German plant, where they filled low skilled roles. During the crisis, those functions – if needed – were carried out by the permanent workforce to keep them busy. Overall, company-level deviations from sectoral agreements need to be considered in the context of 'disorganized' bargaining decentralization in Germany (Traxler et al., 2001), which has shifted power from the sector- to the firm-level.[8] In light of crisis-related collective bargaining in *Firm1* and *Firm2*, the power shift weakened works councils as already pointed out in earlier studies (e.g. Holst, 2014; Hassel, 2014). Hence, a trade-off between keeping jobs and concessions on working conditions evolved as short-term outcome for the German permanent workforces implying that the job stability of the core and the instability of the temporary workers were complementary, increasing the gap between those groups of staff (Hassel, 2014).

Although Belgium has seen some organized decentralization, this has hardly impacted on the importance of sector-level agreements (Pulignano, 2012). Since deviations from those agreements were hardly possible, local actors have no leeway to undermine standards set at higher levels. Therefore, Belgian company-level actors were limited in the practices they could adopt, while their German counterparts had far more discretion (Pulignano et al., forthcoming). For this reason, the Belgian unionists benefited from strong sector-level agreements with limited derogation capacity, which helped to stabilize the regular workforces' jobs and working conditions during the crisis. Specifically, in *Firm1*, an earlier negotiated agreement on 'employments paths' proved to be a resource for unions to

[8] Among others, Nienhüser and Hoßfeld (2008) use the term *Verbetrieblichung* to refer to this development and to stress the importance of workplace-level collective bargaining in Germany.

keep some temporary workers. They also utilized their consent to implement *temporary unemployment* to promote stable working conditions for the permanent workforce. Therefore, negotiations in *Firm1's* Belgian plant were concession-driven. A more consensus-driven bargaining pattern was observed in *Firm2*. In contrast to the production-oriented German subsidiary, the Belgian plant focused on product development and employed less manual workers, which were hired via agencies. Since they mainly did prototyping, the demanded skill-level was higher and thus, there was an interest to keep some of them during the crisis. The skilled agency workers were eligible to receive a permanent contract in the Belgian plant for this reason. Similarly, most external contractors were kept due to their needed skills. Consensus also prevailed in regard to the practices negotiated for the core workforce in the course of the crisis. None of the adopted measures by *Firm2* were the outcome of concessions, but rather the result of management and employee representatives compromising to find consensus. An encompassing collective bargaining system which allows for hardly any company- or workplace-level deviations could be used by trade unions as a means to keep some temporary workers and to stabilize the core workforces' jobs and working conditions during the crisis. It remains to be seen if the negotiated compromises in the Belgian and German workplaces persist long term.

Overall, the institutional system defined the framework under which crisis-related collective bargaining took place, however local actors were not without a voice in shaping its outcomes. The main difference between *Firm1* and *Firm2* is the skill level of the workforce. The specific skills which were scarce on the labour market could be used as a resource by unionists in *Firm2* that helped employee representatives keep some temporary workers in both countries. In *Firm1* where the skill-level was medium-low, unions had to make use of local institutional resources where they existed (Belgium) to enforce some protection for the workers via concessions. Overall, the replaceability of skills in *Firm1* in contrast to the scarcity of skills in *Firm2* mediated the short-term effects of crisis-related collective bargaining and helps explain the different bargaining patterns across companies.

Conclusion

The main objective of this study was to investigate the short-term effects of crisis-related collective bargaining on different contractual groups of workers in four workplaces in Germany and Belgium. The study sheds light on some of the nuances across countries, companies and workplaces, as well as different effects on permanent and temporary workers. When the crisis hit the four plants, the initial reaction was to let temporary workers go. While the German works councillors lacked co-determination rights to inhibit this step, their Belgian counterparts were successful in keeping some temporary workers whose contracts were upgraded to permanent ones. When the crisis endured, differences regarding the treatment of the core workforces across countries could be observed. The Belgian unions were able to stabilize both jobs and working conditions of the permanent workforces, while the German works councils conceded on working conditions to safeguard those workers' jobs. We explain the observed diversity in the short-term effects of crisis-related collective bargaining with the interaction of institutional and firm-level factors. The

Belgian encompassing bargaining system hardly allowed for company-level deviations, creating a favourable environment to stabilize jobs and working conditions alike. In this context, *Firm1's* unionists engaged in concession bargaining to keep some temporary workers based on a previously negotiated workplace agreement. As the crisis persisted, they were able to stabilize the core's jobs and working conditions in exchange for their consent to use temporary unemployment. In *Firm2*, skilled temporary workers and highly-qualified external contractors were kept in times of crisis. Unions and management were successful in reaching local consensus on several measures for the permanent workforce without engaging in concession bargaining. Skills arguably influenced crisis-related collective bargaining patterns, leading to a more consensus-oriented pattern in *Firm2*. In contrast, Germany has witnessed a power shift from the sector- to the company-/workplace-level, resulting in a weakening of works councils. For both workplaces, this meant letting nearly all temporary workers leave and endorsing concessions on the permanent workforce's working conditions to save their jobs. Contrary to *Firm1*, the high skill level in *Firm2* mediated the effects of crisis-related collective bargaining because a few skilled fixed-term workers and nearly all external contractors were kept, and negotiations were in general more consensus-driven. Overall, we observe that where skills were high (*Firm2*), it was easier to keep temporary workers and negotiate guarantees for the core workforce since management did not want to risk losing skilled workers. However, the observed outcomes in *Firm1* and *Firm2* still differed across national borders due to more (Belgium) or less (Germany) favourable institutional contexts. As shown, nuances existed across and within countries and companies, emphasising that outcomes are contingent upon the local and national (institutional) context, and in particular upon their interaction. These cases illustrate that despite the difficulty trade unions may face when trying to protect the interests of potentially vulnerable groups of workers, institutional power resources could help to overcome such difficulty. However, this article is only considering the short-term effects of crisis-related collective bargaining on different groups of workers. It is too early to assess if the more favourable results in the Belgian context persist, or if the lower levels of discretion at the workplace-level may for instance be an incentive for location decisions. In other words, the favourable results in the short-run might have repercussions, putting pressure on the plants in the long-run because of the lower levels of flexibility compared to the German workplaces.

References

Atkinson J (1984) Manpower strategies for flexible organizations. *Personnel Management*, 16(8): 28-31.

Bellmann L and Gerner HD (2012) Company-level pacts for employment in the global crisis 2008/2009: first evidence from representative German establishment-level panel data. *International Journal of Human Resource Management* 23(16): 3375-3396.

Bellmann L, Gerner HD and Upward R (2012) The response of German establishments to the 2008-2009 economic crisis. *OECD Social, Employment and Migration Working Papers* No 137.

Berger S and Piore M (1980). *Dualism and discontinuity in industrial societies*. Cambridge: Cambridge University Press.

Bispinck R (2010) Tarifliche Regelungen zur Kurzarbeit. Available at http://www.boeckler.de/pdf/p_ta_elemente_kurzarbeit.pdf (accessed 4 May 2015).

Cappelli P (1985) Plant-level concession bargaining. *Industrial and Labor Relations Review* 39(1): 90-104.

Carley M and Marginson P (2010) Negotiating the crisis: social partners responses. In European Commission. *Industrial Relations in Europe 2010*. Brussels: European Commission, pp. 55-84.

Crouch C and Keune M (2012) The governance of economic uncertainty: beyond the 'new social risks' analysis. In Bonoli G and Natali D (eds) *The politics of the news welfare state*. Oxford: Oxford University Press, pp. 45-67.

Doeringer P and Piore M (1971). *Internal Labor Markets and Manpower Adjustment.* New York: D.C. Heath and Company.

Doerflinger N and Pulignano V (2015) Temporary agency work and trade unions in comparative perspective. A mixed blessing? *Journal of Workplace Rights*. Epub ahead of print 10 April 2015 doi: 10.1177/2158244015575633.

Eurofound (2009) Temporary unemployment is buffer to economic crisis. Available at: http://www.eurofound.europa.eu/eiro/2009/04/articles/be0904019i.htm (accessed 20 June 2014).

Eurofound. (2012) *Social dialogue in times of global economic crisis*. Luxembourg: Publications Office of the European Union.

Eurofound (2014) Impact of the crisis on industrial relations and working conditions in Europe. Luxembourg: Publications Office of the European Union. Eurostat (2015) Real GDP growth. Available at: http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Real_GDP_growth,_2003%E2%80%9313_%28%25_change_compared_with_the_previous_year;_average_2003%E2%80%9313%29_YB14.png (accessed 21 April 2015).

Glassner V and Keune M (2010) Negotiating the crisis? Collective bargaining in Europe during the economic downturn. *International Labour Office DIALOGUE Working Paper* No. 10.

Glassner V and Keune M (2012) The crisis and social policy: The role of collective agreements. *International Labour Review* 151(4): 351-375.

Glassner V, Keune M and Marginson P (2011) Collective bargaining in a time of crisis: developments in the private sector in Europe. *Transfer* 17(3): 303-321.

Grimshaw D and Rubery J (1998) Integrating the internal and external labour market. *Cambridge Journal of Economics* 22(2): 199-220.

Grimshaw D, Ward K, Rubery J and Beyon H (2001) Organisations and the transformation of the internal labour market. *Work, Employment and Society* 15(1): 25-54.

Hans-Böckler-Stiftung (2010) Tarifrunde 2010. Metall- und Elektroindustrie. Available at http://www.boeckler.de/wsi-tarifarchiv_4250.htm (accessed 28 April 2015).

Hassel A (2014) The paradox of liberalization - Understanding dualism and the recovery of the German political economy. *British Journal of Industrial Relations* 52(1): 57-81.

Holst H (2014) 'Commodifying institutions' - Vertical disintegration and institutional change in the German labour relations. *Work, Employment and Society* 28(1): 3-20.

Keune M (2011) Sector-level bargaining and possibilities for deviations at company level: Belgium. Available at http://www.eurofound.europa.eu/publications/htmlfiles/ef10872.htm (accessed 12 July 2014).

Kochan T, Katz Hand McKersie R (1986) *The transformation of American industrial relations*. New York: Basic Books.

Marginson P (2014) Coordinated bargaining in Europe: From incremental corrosion to frontal assault? *European Journal of Industrial Relations*. Epub ahead of print 15 April 2014doi:10.1177/0959680114530241.

Marginson P and Galetto M (2014) Engaging with flexibility and security: rediscovering the role of collective bargaining. *Economic and Industrial Democracy*. Epub ahead of print 29 July 2014doi: 10.1177/0143831X14538850.

Marginson P, Keune M and Bohle D (2014) Negotiating the effects of uncertainty? The governance capacity of collective bargaining under pressure. *Transfer* 20(1): 37-51.

McKersie R and Cappelli P (1982) Concession bargaining. *MIT Working Paper* 1322-82.

Nienhüser W and Hoßfeld H (2008) *Verbetrieblichung aus der Perspektive betrieblicher Akteure*. Frankfurt am Main: Bund-Verlag.

Page, R (2011) Co-determination in Germany – a beginner's guide. *Hans-Böckler-Stiftung* Working Paper 33.

Pulignano V (2012) Recente ontwikkelingen in de Belgische sociale dialoog: beschouwingen vanuit Europees perspectief. *Nieuw Arbeidsblad/Nouvelle Revue du Travail* 1(1): 108-129.

Pulignano V, Doerflinger N with De Franceschi F (forthcoming) Flexibility and security within European labor markets: the role of local bargaining and the different 'trade-offs' within multinationals' subsidiaries in Belgium, Britain and Germany. *Industrial and Labor Relations Review*.

Reuters (2009) Three top economists agree 2009 worst financial crisis since Great Depression; risks increase if right steps are not taken. Available at: http://www.reuters.com/article/2009/02/27/idUS193520+27-Feb-2009+BW20090227 (accessed 20 June 2014).

Rubery J, Marchington M, Grimshaw D, Carroll M and Pass S (2009) Employed under different rules: the complexities of working across organizational boundaries. *Cambridge Journal of Regions, Economy and Society* 2(3): 413-427.

Traxler F, Blaschke S and Kittel B (2001) *National labour relations in internationalized markets*. Oxford: Oxford University Press.

Urban HJ (2012) Crisis corporatism and trade union revitalisation in Europe. In S Lehndorfd (ed) *A triumph of failed ideas. European models of capitalism in the crisis*. Brussels: European Trade Union Institute, pp.219-241.

Vandaele K (2009) The Ghent-system, temporary unemployment and the Belgian trade unions since the economic downturn. *Transfer* 16(3-4): 589-596.

Table 1: Plant characteristics (as of spring 2012 for *Firm1* and autumn 2012 for *Firm2*)[9]

	***Firm1* Germany**	***Firm1* Belgium**	***Firm2* Germany**	***Firm2* Belgium**
Country of origin	United States of America		Europe	
Total workforce	130,000		92,000	
Technology	Low technology		High technology	
Skill profile	Mainly low- to medium-skilled		Mostly highly-skilled	
Workforce	1,700	2,500	2,600	1,000
Blue-collar/White-collar workers	850 / 850	1400 / 1100	1300 / 1300	150 / 850
Trade unions	IG Metall	ACV-CSC, ACLVB-CGSLB, ABVV-FGTB	IG Metall	ACV-CSC, ACLVB-CGSLB, ABVV-FGTB
Union membership in the workplace	80%	95%	75%	95%
Works council	Yes	Yes	Yes	Yes
Employment contracts in the plant	75% permanent workers, 20% agency workers, 5% fixed-term workers	80% permanent workers, 20% fixed-term workers	80% permanent workers, 10% agency workers, 5% fixed-term workers, about 5% external contractors	80% permanent workers, 10% agency workers, 10% external consultants
Workplace-level collective agreements on employment contracts	20%-quota on temporary agency work	20%-quota on fixed-term work	10% fixed-term and 10% agency workers – in some departments extendable to 30%	20%-flexibility quota (fixed-term and agency workers)
Crisis period	Late 2010 until early 2013	Mid-2009 until mid-2010	Spring 2010 until 2012	Mid-2010 until 2012

[9] Those data are based on information given by the interviewees (mostly the general HR manager) in the four workplaces. Regarding the figures on blue-/white-collar staff, the respondents gave rounded estimates to get a general idea of the division of the workforces in the four plants.

Table 2: Effects of crisis-related collective bargaining on different groups of workers

	***Firm1* Germany**	***Firm1* Belgium**	***Firm2* Germany**	***Firm2* Belgium**
Core workforce	Jobs protected; concessions on working-time flexibility and internal mobility; voluntary early retirement schemes	Jobs protected; working conditions remained almost untouched	Jobs protected; but higher levels of internal mobility; voluntary separation and early retirement schemes	Jobs protected; working conditions remained almost untouched
Fixed-term workers	Contracts were not prolonged or upgraded when the crisis hit the plant	The majority of contracts was not prolonged, but 40 workers were offered permanent contracts	Apart from few exceptions (skills), contracts were not prolonged or upgraded when the crisis hit the plant	*Not applicable*
Temporary agency workers	Had to immediately leave the plant when the production volume dropped	*Not applicable*	Had to leave the company within the first months after the crisis hit the plant	Those possessing critical skills were offered permanent contracts, the others had to leave
External contractors	*Not applicable*	*Not applicable*	Since this group of workers provided critical skills to the plant, most of them were kept	Only a few had to leave; the majority was kept because of their indispensable skills